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STATE REFORMS IN LOUISIANA.

WHAT THE REPUBLICAN PARTY HAVE ACCOMPLISHED

WHAT THEY STILL PROPOSE TO DO.

Correspondence between the Property Holders' Union
of New Orleans and the Republican State
Central Committee.

L. Packard.

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New Orleans 1875



STATE REFORMS IN LOUISIANA.

CORRESPONDENCE BETWEEN THE PROPERTY HOLDERS' UNION OF NEW ORLEANS
AND THE REPUBLICAN STATE CENTRAL COMMITTEE.

To the State Central Executive Committee, Republican Party of Louisiana:

The undersigned committee from the central council of the Property Holders' Union of the city of New Orleans, beg to solicit your co-operation, and that of the people whom you represent, in advocating such legislation as will bring relief to the tax-ridden owners of real estate in New Orleans.

Our organization is non-partisan in its character, and our object is to secure the assistance of the representatives of all political parties in the State to adopt means of reform which will relieve the real estate interest from its present alarming depression and impending ruin.

We very respectfully submit for your consideration:

1. The limitation of the State tax to one-half of one per centum, and the city tax to one per centum, on the marketable cash valuation.

2. Revision of the assessment laws, so that there shall be but one assessment every five years; that the courts of the State, and not the assessors, shall be the final judges of the assessable value of property.

3. To prohibit the loan of the credit of the State or city for any purpose whatever.

4. To reduce the salaries of the city and State officials, and the abolishment of unnecessary offices.

5. Relief of the delinquent taxpayers and for persons whose property has been sold for taxes.

6. To allow the payment of taxes, State and city, by installments.

C. H. TEBAULT, M. D.,
Chairman Conference Committee, Property Holders' Central Council.

L. J. HIGBY,
D. P. SCANLAN,
JOHN HUGHES,
J. D. HILL,
W. B. KOONTZ

ROOMS STATE CENTRAL EXECUTIVE COMMITTEE, }
Republican Party, State of Louisiana, }
New Orleans, November 26, 1875. }

At a meeting of the committee this day the following resolutions were adopted:

Resolved, That the object announced in the communication received from the committee of the Central Council of the Property Holders' Union merits and commands our unqualified approval.

Resolved, That practically to assure that end the union is requested to submit to this committee, at the earliest date, drafts of bills tending to the relief proposed.

Resolved, That this request finds especial force in the fact that the committee fails to discover by what method the proposed limitations to taxation can be made to suffice the interest on the public debt and the maintenance of the schools, levees and government of the State.

S. B. PACKARD, President.

A true copy:

J. R. G. PITKIN,

Corresponding Secretary.

NEW ORLEANS, November 30, 1875.

C. H. TEBAULT, Chairman Conference Committee,
Property Holders' Union:

SIR—I have the honor to transmit inclosed the resolutions of the State Central Executive Committee of the Republican party of Louisiana, in response to the communication presented by the committee of which you are chairman.

It has, at all times, been the desire of the Republican party in Louisiana to accomplish the reforms referred to in your communication, in so far as possible and practicable and consistent with public credit and the efficient collection of the revenue.

The present Republican administration came into power pledged to effect, as far as possible, the reduction of the public debt and the relief of the citizen from the burdens of which you complain. All unprejudiced minds must admit that the present administration has, despite opposition, fulfilled the pledges of the party by which it was elected. The Legislature formerly had unlimited power of taxation. A tax of twenty-one and one-half mills bore on all property in the State. Through the unaided efforts of the Republican party and against the opposition of the Democrats a constitutional amendment now limits the levy of State taxes to fourteen and one-half mills for all State purposes.

The Legislature had power to create a bonded debt to the extent of \$25,000,000; it is now limited to \$15,000,000. The Democrats, as a party, opposed the constitutional amendment by which this reform was effected.

The State was, at the commencement of the present administration, burdened with an interest-bearing debt of nearly \$32,000,000 and a floating debt of nearly \$3,000,000, besides a very large contingent debt. The floating debt has been reduced more than one-half; the bonded debt has been at this date reduced \$5,000,000, and when the provisions of the funding bill, fortified by a constitutional amendment recently adopted,

are fully carried out, the interest paying debt will be reduced from nearly \$22,000,000 to an amount considerably within the constitutional limitation of \$15,000,000. The contingent debt has been extinguished by the funding bill.

Prior to 1873 the Legislature possessed unlimited power to make extravagant appropriations. There was practically no limit to expenditure in carrying on the State government. During the administration of Governor Kellogg, by the act of a Republican Legislature, the expenditure for all purposes has been limited to the actual revenue from taxation. At the fixed rate of fourteen and one-half mills, increased taxation and an ever increasing floating debt have been rendered impossible by constitutional enactment.

Prior to the administration of Governor Kellogg, the annual expense of administering the government, exclusive of interest, schools and levee dues, exceeded \$2,000,000. Economy has reduced the annual expense to less than \$1,000,000.

The city of New Orleans, with a bonded debt of \$23,000,000, and unlimited power to contract a floating debt, has by amendment to the constitution been prohibited from imposing any additional burden upon the people.

I submit that the Republican party, during the present administration, has given earnest of its desire and intention to administer the government with economy, and to fulfill its pledges.

In accomplishing these reforms, has the Republican party in Louisiana had the aid and countenance of any of the citizens of the State outside of its own ranks? This question finds its answer in the history of the last three years; a history of unreasonable and acrimonious opposition to all reform by that class which claims to be most heavily burdened by taxation.

When a Republican Legislature submitted to the vote of the people amendments to the constitution limiting taxation to four teen and one-half mills, restricting the debt of the State to fifteen millions, limiting the power of any Legislature to expenditures greater than the State revenue, an amendment providing for the reduction of the State debt from \$22,000,000 to \$15,000,000, taking from the government of the city of New Orleans, notorious for reckless and extravagant misgovernment, the power further to burden the property within its limits with debt, did the party receive any aid or countenance from its Democratic opponents? Democrats were invited to aid in all of these reforms, but their party mandates at once went forth commanding the rank and file of the Democratic party to vote against all of the proposed reforms and constitutional amendments. The record of the last election demonstrates that the command was obeyed. The reforms were effected; the constitutional amendments were adopted by a strict Republican party vote. This, too, in a community so reckless of public and private credit that the cry of absolute repudiation of the public debt was popular with the Democrats. When the development of the

resources of the State and speedy reduction of the public debt required unimpaired faith in the State government, the Democratic party, through its counsels, committees and press, joined in a deliberate and continued effort to injure the credit and embarrass the operation of the government in effecting these reforms.

When reform demanded stable government, public men, claiming and asserting themselves good citizens and reformers, expended their means and exerted their powerful personal influence to create sedition, provoke slaughter and bloodshed, and send abroad the impression that the government of Mexico is more stable than the government of Louisiana, and that neither property nor life was secure within our boundaries. They turned emigration from our borders, frightened capital from our midst, injured our reputation as a State, and drove our trade into other channels and to other ports.

The Republican party in Louisiana does not underrate the obstacles and barriers which the Democratic party has placed in its pathway to reform and retrenchment; neither does it underestimate the opposition which it must encounter at Democratic hands in the future, and will gladly welcome and acknowledge all honest countenance and aid in the accomplishment of its purpose further to reduce the debt of the State and decrease the expense of its government.

Permanent good government can only result from a condition of public opinion favorable to peace and good order. Economy in the administration of government will follow when all men and all parties shall demand it, and shall cease to discourage reform because that reform is suggested or attempted by an adverse party.

This condition does not seem to exist in the State at the present time. Your committee can find proof and illustration within its own organization. A member of your union was a candidate for Administrator at the last municipal election. He publicly announced that if elected he would serve without pay. No one doubted his fitness or competency for the position. He was a large property holder, who brought from the West and expended a fortune in an endeavor to extend the trade and commerce of the city. The grain elevator is the monument of his enterprise and public spirit.

Had the voters in the city really desired economy he would have been unanimously elected. Yet he was not elected, though he received the 14,000 Republican votes cast in the city. Not a Democratic vote was cast in favor of this property holder, pledged to serve without salary. His opponent, the Democratic nominee, received the party vote, was elected, and draws his salary. It appears that missionary labor is required in this city before a majority of the voters are ripe for reform.

Public sentiment must be educated to forego its preference for indiscriminate abuse of party organization and the slander of individuals, and to reserve denunciation for wrong-doers. Reform will then be speedy and effectual.

The public was informed by the Democratic press and leaders that economy and retrenchment would follow a Democratic majority in the present House of Representatives. The result was extravagance. An extra session of ten days was called last April to adjust our political differences, and thus gave a Democratic House an opportunity to exhibit its intention and capacity for reform. Examine the record of that session. The House of Representatives originated and passed an appropriation bill expending \$117,000 of the public money as the expense of that same ten days' session, and with eccentric patriotism and disinterestedness it was provided by the same act that this large sum should be paid in preference to the claims of older creditors.

Our community is not possessed of a surplus of capital, and for purposes of trade now, and for some time to come, must rely largely on private credit for the operation of commerce. Impair public credit and private credit at once feels the shock; trade is crippled and curtailed.

The financial history of this State is not consoling; public sentiment has been neither consistent nor discriminating. The antebellum bonded debt exceeded ten millions. The Democratic Legislature charged with the conduct of the affairs of the State, from the close of the late war until reconstruction, increased the bonded debt to over \$14,000,000, and appropriated \$13,000,000 in excess of even the estimated revenues of State. The immediate predecessor of Governor Kellogg found the State with a diminished assessment roll and undiminished expense—likewise this legacy of debt outstanding. During that administration the bonded debt increased to nearly \$22,000,000. This administration was, in the opinion of the Republican party, extravagant. As a party it sought to remove him from power as an enemy both of the party and of the State. As soon as he was cast forth by the Republicans he fled to the camp of the opposition and became their leader. Not only were his misdemeanors and extravagances condoned, not only did he receive votes from Democratic and so-called Reform legislators for a seat in the federal Senate, but the popular vote cast for McEnery was to the practical end of continuing the very policy which for three years the Democracy had denounced. Governor Kellogg, without aid outside of his party, has demonstrated the possibility of reducing the bonded debt to the limit reached at the date of reconstruction. This reduction is to-day in rapid progress, and will soon be accomplished, although the tax levy has been reduced from twenty-one and one-half to fourteen and one-half mills.

When men who claim to be reformers and model citizens shall cease to menace the public peace, to aid and encourage irresponsible armed constituents publicly to boast that they have organized and commanded armed bodies of reckless men, who at their beck can and will deluge anew the State with blood; when the political opinion of a Republican shall not be deemed adequate provocation for murder and violence; when men who claim

identification with the business and capital in our limits shall cease to justify the impression abroad, that as a community we care nothing for good government, public credit or freedom from domestic violence; when the immigrant, despite the too prevalent terror which, outside of the State, attaches to our climate brings into our midst and adds to our material wealth; his capital, his enterprise and the strength of his right arm shall cease to be met at our borders with opprobrious epithets and be driven off by menaces, a material appreciation of values, an expansion of commerce, a steadfast confidence, and none but the wholesome rivalries that should animate a people living in Christian amity, are certain to be realized by Louisiana. You will doubtless share with me in the persuasion that nothing can be so honorable in a man who enjoys the protection of the laws as to forget the complexion of a fellow-citizen in the title which he as fully holds to that protection.

The Central Executive Committee has requested your organization to submit the drafts of bills embodying in a practical form your plan of retrenchment.

Reduction of taxation below the present rate of fourteen and one-half mills can be attained, first, by an increased taxable value of property in the State.

The grand total of assessable taxpaying property can be increased by a much needed reform in the manner of arriving at its valuation.

Under the present laws there is an entire independence of all central authority on the part of parish assessment boards of equalization, which consist each of the sheriff, clerk of court and recorder. Parishes may and do avoid a fair share of the burdens of State taxation by the imperfect method of valuation of the property returned to the State. Lands and personal property in some parishes are returned at their full value, while in others they are returned at less than one-half. Could a remedy be had for this it would be found that a larger amount of assessable property would be returned. Other States have provided State boards of equalization, with power over the local boards. Should a State board of this kind be created it should consist of experts, and it should be made their duty to examine the valuation of the property of each parish as fixed by the local boards, once in five years visiting the parishes for that purpose.

Valuations, when once so examined and approved by the State board should remain for five years without alteration, with power in the local boards to correct each year in case of destruction or improvement or of change of ownership.

It is further suggested whether property belonging to religious and other associations, not dedicated to or used for strictly church or educational purposes, and from which rents and revenues are received, should not be taxed as other property. There is in this city alone property of the value of several millions exempted from taxation, yet in no manner used for church or educational purposes.

Secondly—There must be increased economy in the administration of all branches and departments of the State government. While, as I have indicated, the expense of government has been reduced to one-half of its former limit, still further reductions and economy are possible.

The present system of assessment and collection is too expensive. The remedy lies in legislation. It is suggested that the law be so changed as to provide that in the city of New Orleans, instead of seven State assessors with large salaries, one assessor, with a salary say of \$5000, and with such clerical force as may be necessary; also assistant assessors—one for each assessment district—to be paid for the time actually engaged in listing property. A limit of compensation to be fixed. Also to provide a board of equalization in the city of New Orleans of five, consisting say of the Auditor and Treasurer of the State, the Mayor of the city and one administrator—say of assessments—and one expert in real estate, to be appointed by the Governor, and to be paid for the time while actually employed. This board to have the power usually given to such boards to hear and decide all complaints and appeals from the assessors' valuation, during say thirty days' exposure of the assessment rolls. A copy of this assessment roll might be used by the city, in which case the department of assessments could be abolished. The cost of assessment by this plan would not exceed one-fourth the present cost.

The expense of collecting the State taxes can be materially reduced by proper legislation. As to taxes payable in the city of New Orleans, the assessment roll can be placed in the hands of the State Auditor, who, upon application of the taxpayer, will furnish a certificate of amount due, this certificate to be presented to the State Treasurer and the money paid directly into the treasury. A slight increase of the present clerical force in the Auditor's and

Treasurer's offices will enable them to discharge this additional duty. This will save to the State the present exorbitant commissions paid to the collectors. In all the parishes, except the parish of Orleans, the percentage commission for assessing and collecting State and parish taxes to be so rated as not to yield a greater compensation to the collector than \$3000 per annum, and for the necessary clerk hire.

This letter suggests a few reforms which, if carried into effect, will greatly reduce the expenses of the State government. By proper legislation and economy in the administration of the municipal offices, the expense of carrying on the city government can be greatly reduced. I submit, then, restore order and confidence and you quicken investments in our productive lands and build up with our labor the waste places of the State; then the increased value of the taxable property in five years, with the proposed one half of one per cent maximum taxation for State purposes, and with an even system of equitable assessment throughout our borders, will yield a sufficient revenue to provide for the payment of the interest and principal at maturity of the public debt, maintain the levees, continue and strengthen the public schools, and, in fine, provide the means for supporting the State government in all its functions.

In conclusion, I have to remark that the co-operation for which you ask at the hands of the Republican State Central Committee in behalf of the taxpayer, will, I am persuaded, be readily accorded by those with whom I am associated, and it is my hearty hope that a temper may be exhibited by the Democrats in our Legislature as high-minded as is the Property Holders' Union which you announce to be "non-partisan" in its character.

Very respectfully your obedient servant.

S. B. PACKARD,
President State Central Committee.

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